

Message Text

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SUBJ: ECEVIT ADDRESS TO ISTANBUL CHAMBER OF INDUSTRY

1. FOLLOWING IS TRANSLATION OF JUNE 10 MILLIYET SUMMARY OF MAIN POINTS OF PRIME MINISTER ECEVIT'S JUNE 9 ADDRESS TO THE ISTANBUL CHAMBER OF INDUSTRY. FULL TEXT OF SPEECH HAS NOT YET BEEN RELEASED BY THE TURKISH OFFICIAL NEWS AGENCY.

2. ON NATIONALIZATION OF COMMERCE AND INDUSTRY: "THERE IS NO CAUSE FOR ALARM AMONG INDUSTRIALISTS AND BUSINESSMEN REGARDING THE PRESENT GOVERNMENT. THE ONLY SECTORS TO BE NATIONALIZED ACCORDING TO OUR PROGRAM ARE ENERGY AND MINING."

3. REFERRING TO THE CONDITIONS PREVALENT DURING THE FORMING OF THE PRESENT GOVERNMENT, ECEVIT SAID THAT CRITICS OF THE RECENT ECONOMIC MEASURES SHOULD BEAR THESE PAST CONDITIONS IN MIND. HE SAID "IN SELECTING DEVELOPMENT STRATEGIES THE GOAL OF SOCIAL JUSTICE SHOULD BE GIVEN PRIORITY AS IT IS AS ESSENTIAL A FACTOR OF DEMOCRACY AS FREE ENTERPRISE."

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4. STATING THAT THE EXISTENT SPECULATIVE STRUCTURE OF THE ECONOMY LEADS TO ENORMOUS PROFITS WHICH CONTRIBUTE NOTHING TO THE NATIONAL INCOME, AND WHICH LIMITS INDUSTRIALIZATION AS WELL, HE SAID "IN THIS ENVIRONMENT, NO MATTER HOW IDEALISTIC HE IS, AN INDUSTRIALIST WOULD NATURALLY DIRECT HIS ACTIVITY TOWARD AREAS WHICH PROVIDE THE BEST OPPORTUNITY FOR SUCH SPECULATIVE PROFIT." HE SAID THAT PAST INVESTMENTS RESULTED IN INCREASING

DEPENDENCE OF TURKEY ON FOREIGN RESOURCES, AND CONTINUED AS FOLLOWS: "COMPLETE ECONOMIC INDEPENDENCE IS OUT OF THE QUESTION FOR THE MOMENT. HOWEVER, OUR RELIANCE ON FOREIGN SOURCES SHOULD BE BALANCED IF OUR POLITICAL INDEPENDENCE IS TO CONTINUE."

5. ECEVIT ADVISED INDUSTRIALISTS TO CONCENTRATE ON INCREASED EXPORTS WITH LESS REGARD FOR "UNDESERVED HIGH MARGINS OF PROFIT". REGARDING BUREAUCRATIC OBSTACLES TO EXPORTS, HE ACCUSED MEMBERS OF THE PAST COALITION GOVERNMENT OF "PLOTING" THE EXPLOITATION OF BUREAUCRACY AMONG THEMSELVES. (COMMENT: PRESUMABLY REFERRING TO THE COMPETITION AMONG THE THREE FORMER COALITION PARTIES TO INSTALL THEIR PARTISANS IN THE BUREAUCRACY). HE SAID THIS BUREAUCRACY WAS NOW TO BE ELIMINATED BY THE ESTABLISHMENT OF AN "EXPORT COMMITTEE" UNDER THE CHAIRMANSHIP OF THE MINISTER OF COMMERCE.

6. ECEVIT WENT ON TO SAY THAT THE NEED FOR STRUCTURAL CHANGE IN THE ECONOMY WAS RECOGNIZED BY RIGHTISTS AND LEFTISTS ALIKE, AND THAT "THE CHANGES THAT WE WISH TO MAKE AND THE RECENT MEASURES WE ARE TAKING MAY BE THE LAST CHANCE FOR OUR INDEPENDENCE AND FOR OUR DEMOCRACY."

7. HE STATED THAT DESPITE ITS DRAWBACKS, THE PRESENT SLOWDOWN IN THE DOMESTIC MARKET IS AN INDICATION OF A RESTRAINT IN RECKLESS CONSUMPTION, AS WELL AS OFFERING AN OPPORTUNITY
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FOR AN INCREASE IN EXPORTS BUT HE EMPHASIZED
THE NEED TO ADJUST PROFITS IN ACCORDANCE WITH THE WORLD MARGINS.

8. ON PRICES, HE SAID "HIGH PROFIT MARGINS MAKE IT IMPOSSIBLE TO RESTRAIN WAGES. A HEALTHY WAGE SYSTEM IS INSEPARABLE FROM A HEALTHY PRICING MECHANISM". HE ADDED THAT SOME NEW PRICE CONTROL MEASURES WERE UNDERWAY.

9. ECEVIT ASSURED INVESTORS THAT NEW INTERNATIONAL CREDIT FACILITIES WOULD BE MADE AVAILABLE IN THE NEAR FUTURE AND THAT WITH REALISTIC PROJECTS, SEVERAL INSTITUTIONS WOULD BE WILLING TO EXTEND CREDIT. HE SAID "UNTIL RECENTLY OUR INDUSTRY WAS OPERATING AT 52 PERCENT CAPACITY. OUR MEASURES AGAINST PRICE INCREASES HAVE HELPED TO PROCURE INCREASED FOREIGN AID. WE SHALL PERSIST IN OUR EFFORTS AGAINST INFLATION BUT OUR CREDIT AND PRICE CONTROL POLICIES WILL NEVER AFFECT THE LEVEL OF INVESTMENT AND PRODUCTION.

10. THE PRIME MINISTER ALSO STATED THAT WITH A VIEW TO EFFECT SMOOTH OPERATION OF PUBLIC ENTERPRISES, EXECUTIVES OF SUCH ENTERPRISES WOULD MEET PERIODICALLY UNDER THE SUPERVISION OF GOVERNMENT OFFICIALS AND BRIEF THE GOVERNMENT ON THEIR ACTIVITIES.

12. "WE HAVE APPLIES TO THE EEC WITH REQUESTS RANGING FROM CAPITAL AND TECHNICAL AID FOR TURKISH WORKERS, TO LARGE TECHNOLOGICAL INVESTMENTS IN TURKEY. ALL OF OUR REQUESTS WERE FAVORABLY MET. WE ARE NOW MAKING INTENSIVE EFFORTS TO REORGANIZE OUR RELATIONS WITH EEC IN PARALLEL WITH THESE REQUESTS."

12. "SOME MISTAKES HAVE BEEN MADE IN THE PAST IN EFFORTS TO CURB ANARCHY. SOME OF THE EXISTING UNREST IS DUE TO RAPID SOCIAL DEVELOPMENT VERSUS ECONOMIC RECESSION. INSTEAD OF TRYING TO BOOST THE ECONOMY, THE PAST GOVERNMENT MADE EFFORTS TO LIMIT SOCIAL DEVELOPMENT BY ALTERATIONS IN EXISTING LAWS."

13. COMMENT: ALTHOUGH NOT EVIDENT IN THE ABOVE SUMMARY, IN UNCLASSIFIED

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HIS SPEECH (WHICH WAS BROADCAST ON NATIONAL TELEVISION) ECEVIT EXPLOITED THE BROAD PUBLIC APPROVAL FOR HIS FOREIGN POLICY ACCOMPLISHMENTS OF THE PAST FEW WEEKS BY STRIKING BACK AT HIS POLITICAL OPPOSITION, WHICH HAD CRITICIZED THE PRIME MINISTER FOR IGNORING DOMESTIC PROBLEMS DURING HIS EXTENSIVE TRAVELS ABROAD. ECEVIT MADE REPEATED REFERENCE TO THE SAD STATE OF THE ECONOMY CREATED BY THE FORMER COALITION, AND REFUTED OPPOSITION SUGGESTIONS THAT HE SHOULD RESIGN. ECEVIT'S REFERENCES TO SOCIAL JUSTICE VERSUS FREE ENTERPRISE, SPECULATIVE PROFITS, AND NEW PRICE CONTROLS OBVIOUSLY WERE NOT TAILORED TO APPEAL TO THE BUSINESS COMMUNITY. BUT THE SPEECH WAS POLITELY RECEIVED BY THE INDUSTRIALISTS WHO SEEMED IMPRESSED WITH THE PRIME MINISTER'S FRANK AND SOPHISTICATED TREATMENT OF TURKEY'S ECOMOMIC PROBLEMS.
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